



Embracing Change: Navigating Next Steps After Selling Your Business

John H. Harrington, CFP[®], Financial Planner

Selling a business is a significant milestone that marks the end of an era and the beginning of a new chapter in an entrepreneur's life. However, this transition is not always as straightforward as receiving a lump sum of cash. In certain cases, the process may involve a roll-up into a larger company, which could delay immediate liquidity, requiring continued involvement.

We've helped business owners like you navigate the very same complexities and challenges you may find yourself addressing after selling your business. There are many factors to consider, so let's explore some of the key areas together.



The Emotional Impact

If you're like many entrepreneurs, your business is more than just an entity or a job; it represents your life's work and passion. Selling your business can be a profoundly personal and emotional experience. This is true for family-owned businesses as well, where the impact can extend beyond the owner to other family members who were also involved. Addressing the emotional aspect is crucial for a smooth transition.



Reevaluating Goals and Lifestyle Changes

With the sale of a business, your financial landscape may change drastically. It's an opportune time to reevaluate your personal and financial goals. De-risking and pursuing financial security might be your top priority. Or, you may want to embark on new ventures and invest in other opportunities. Assessing lifestyle changes, both in terms of immediate adjustments and long-term planning, is essential to ensure your newfound wealth serves your well-being, goals, and aspirations.



Tax Planning

The sale of a business often brings forth complex tax implications that require careful attention. Proper planning can help minimize tax liabilities, optimize the after-tax proceeds from the sale, and ensure compliance with all applicable tax laws.



Cash Management and Income Generation

Proper cash management is vital for maintaining financial security. A well-structured plan ensures that the funds from the sale are effectively allocated, considering short-term liquidity needs, mid-term investment objectives, and long-term wealth preservation. You may want to explore different sources of income, such as investment returns, business ventures, or passive income streams, to help you make the most of your newfound wealth.



Financial and Wealth Management

After the sale, thoughtful financial planning becomes paramount. It's imperative to understand how this windfall alters your financial plan, considering potential lifestyle adjustments, investments, and legacy goals. It's also important to collaborate with a knowledgeable wealth manager who can take a comprehensive snapshot of your financial landscape and develop a bespoke investment strategy. This involves assessing risk tolerance, diversifying assets, and generating a reliable income stream to sustain your desired lifestyle and legacy wishes.



Estate Planning

Estate planning becomes vital to safeguard and distribute wealth to heirs and beneficiaries. This may include updating your will, trust, and power of attorney. Asset protection, for instance setting up trusts, limited liability companies, or other legal structures, also deserves consideration to shield assets from potential risks and creditors.



Conclusion

The sale of a business marks a profound life change involving emotional and financial adjustments. It's essential to proactively engage with a knowledgeable team who will work on your behalf to execute an approach that aligns with your personal vision of success.

I specialize in coordinating all aspects of the post-sale journey. By addressing tax planning, estate planning, financial management, income generation, as well as the emotional impact, I can help you embrace this new chapter with confidence and pave the way for a fulfilling future.

If you're dealing with any of these issues and would like some help and guidance, please do not hesitate to contact me today.



John H. Harrington, CFP®
Financial Planner

Integrated Financial Partners
44 Old Ridgebury Road, P-140
Danbury, CT 06810

 (845) 278-2629, Ext. 205

 (845) 278-5463

 John.Harrington@IFPadvisor.com

 www.johnharrington.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Integrated Financial Partners, a registered investment advisor and separate entity from LPL Financial.

The information provided here is for general information only and should not be considered an individualized recommendation or personalized investment advice. Any investment strategies mentioned here may not be suitable for everyone.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.